

This industry was established in New Zealand a few years ago, when the protection indicated above in respect of certain classes of bottles was granted by Parliament. With unimportant exceptions, the industry has been confined to the manufacture of the bottles on which duty was imposed, and in these lines a large proportion of the Dominion's requirements are now made by the local works. The output of these classes is not, however, sufficient to keep even the present necessary plant fully and economically employed, and there is a possibility that unless the scope of operations can be extended the works may be forced to cease activities. Existing conditions have forced the closing of the works for a period of months, with resultant unemployment and increase in costs.

Since the works were established about four years ago appreciable reductions have been effected in the prices of the classes of bottles made in New Zealand. The evidence indicates that the quality of the local products has been such as to give satisfaction to users. All the materials of the local industry are of British production, the great bulk being of New Zealand origin.

It has been urged by those opposed to a duty on glass containers that the freight from overseas should be a sufficient protection to local manufacturers. It should, however, be borne in mind that this is offset to a considerable extent by the freights which must be paid on the coastal transportation of the Dominion's products.

The Commission considers that this industry can be reasonably successful only if it is afforded an opportunity of making a sufficient quantity of glass containers to enable economic production to be secured. Greater output will tend towards generally reduced costs, and the elimination of certain disadvantages and expenses in manufacture unavoidable under present conditions. Particular reference may be made to the existing necessity for periodically ceasing manufacture by reason of inadequate demand or change in colour of glass required.

The Commission, after careful and thorough consideration, is of the opinion that further protection should be afforded to the industry by increasing to a slight extent the duty at present imposed on certain glass bottles, and by including in the dutiable classes certain other lines. It is therefore recommended that the tariff items dealing with glass containers be amended to read as follows:—

	Rate of Duty.	
	Under British Preferential Tariff.	Under General Tariff.
<i>Bottles and jars, empty plain glass, not being cut or ground, viz. :—</i>		
(1) Bottles or jars <i>specially suited</i> for the distribution of milk or cream ; all bottles or jars <i>ground</i> only at the neck for stopper or cap ; infants' feeding-bottles, with or without attachments ..	Free	20 per cent.
(2) Other kinds, viz. :—		
(a) Having a <i>capacity</i> exceeding 1 fluid ounce, but not exceeding 8 fluid ounces—		
Up to and including 31st March, 1928 .. ..	Free	20 per cent.
On and after 1st April, 1928 .. ..	20 per cent.	40 per cent.
(b) Having a <i>capacity</i> exceeding 8 fluid ounces .. ..	15 per cent.	35 per cent.
(c) N.e.i. .. ..	Free	20 per cent.

The necessity for a slight increase in the duty on the larger sizes of containers arises partly from the fact that the general average cost of distribution will be increased when the manufacture of jars is added to the existing production. The higher rate of duty on the smaller containers is necessary and justifiable by reason of (a) The smaller value of the individual orders available for the small sizes, and consequent higher cost of production of these classes ; (b) the lower level of natural protection afforded by overseas freight on the smaller sizes.

No practical proof is as yet available of the local manufacturers' ability to make milk-bottles which would comply with the special requirements in this particular kind of container. It is also considered that bottles and jars (a) up to 1 oz. in content, and (b) ground only at the neck for stopper and cap, should remain on the free list so far as the British preferential tariff is concerned.

The manufacturers state that they are able immediately to produce locally all the larger-sized containers, while certain special machinery would be installed for the economical production of the smaller bottles. The Commission therefore recommends that the duty on the smaller-sized containers should take effect on the 1st April, 1928.

#### MAIZE.

Representations have been made in favour of a reduction of duty on this grain. The present duty is 2s. per cental, irrespective of the origin of imports. The claim has been made that New Zealand does not produce a sufficient quantity of maize to meet the demand, and that the existing duty has the effect of increasing the price to a comparatively high level.